

Project Profile

Sector	Agriculture
Sub Sector	Crops
Code:	0103
Title:	Support to UCDA Coffee Seedlings
Implementing Agency:	MAAIF through UCDA
Location:	Various
Total Plan Exp	U S \$ 7.338m
Funds Secured	US \$ 7.338m
Funding gap	Nil
Start Date:	2000
Completion Date:	Unknown

Background

The Government of Uganda (GoU) identified coffee as one of the major sectors for strategic intervention in its attempt to eradicate poverty. Coffee contributes fundamentally to the Ugandan economy and its social economic aspects. It is currently the leading agricultural export commodity and accounts for over 30 percent of total foreign export earnings. Coffee has a great potential to attract high value if exported as a finished product. It provides livelihood to the vast majority of the rural population in Uganda, estimated well over 3.5 million people.

The coffee industry is faced with the problem of the coffee wilt disease, old aged trees and lack of value addition. The cumulative infection level of Coffee Wilt Disease (CWD) since 1993 was 44.5% equivalent to 134 million old robusta trees. Of the 300 million old robusta trees, the remaining 166 million trees were also too old for good quality coffee production, as they had surpassed the economic production age of 40 years.

Based on these problems, Government decided to intervene, to address these problems and rejuvenate the coffee industry.

Objectives

- To replace old age trees and combat the Coffee Wilt Disease (CWD)
- Consolidate nursery capacity to a sustainable output of seedlings per year.
- Improve quality through modern processing.
- Add value through roasting and manufacture of instant coffee.
- Develop generic promotion for international and domestic coffee consumption.

Expected Outputs

- 210 million plantlets/seedlings distributed and planted by 2005/6.
- Increased yield/ha and hence increased volume of coffee exports and income to coffee farmers
- High value coffee produced and exported.
- Premium attracted through value addition.
- Increased consumption for Uganda coffee both internationally and locally.

Performance Indicators

Number of improved/ clean coffee plantlet/seedling procured and distributed to farmers
 Hectarege under coffee
 Number of households growing coffee
 Incremental yield per hectare
 Quantity of high value coffee produced and exported by June, 2006
 High premium due to value addition
 Increased consumption of Uganda coffee both internally and locally

Actual Achievements

In the last four financial years 2001/02, 2002/03, 2003/04 and 2004/05, a total of 65.9ml coffee seedlings/plantlets have been planted benefiting over 340,000 households in 48 districts.

On value addition, through roasting and manufacture of soluble coffee, some considerable achievements have been made through establishment of joint ventures and penetration of the retail market with Ugandan brands. Uganda coffee now occupies shelf space in some consuming countries where more than 450 metric tonnes have been sold fetching more than ten times what the farmers are paid on the local market.

Five brands are now in the retail market in China, Switzerland and South Africa. There is a locally packed instant coffee STAR CAFÉ in Uganda, the local roasting industry is also growing with the advent of coffee shops/cafes and hotels coming up in urban areas.

Financing

The project is financed by GOU. The GOU funding amounts to US \$ 1.97million for the Financial Year 2005/06.

Plan of Operations

Reduce the stock of arrears on coffee seedlings
Support installation of 8 wet coffee plants
Consolidation of 2 joint ventures in brand development.
Establishment of soluble coffee plant.
Increase the promotional coverage.